

SENATE BILL REPORT

SB 5831

As of February 26, 2013

Title: An act relating to providing a sales and use tax exemption for clay targets purchased by nonprofit gun clubs.

Brief Description: Providing a sales and use tax exemption for clay targets purchased by nonprofit gun clubs.

Sponsors: Senators Rivers, Roach, Benton and Brown.

Brief History:

Committee Activity: Ways & Means: 2/26/13.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Juliana Roe (786-7438)

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the property, digital products, or services were acquired by the user, then use taxes apply when used in this state. The state sales and use tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 3.0 percent, depending on the location. The average local tax rate is 2 percent, for an average combined state and local tax rate of 8.5 percent.

Tangible personal property that is consumed by a business in order to provide a service is subject to the retail sales tax.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Nonprofit gun clubs are provided a sales and use tax exemption for the clay targets they purchase for use in clay target shooting for which a fee is charged. The buyer must provide the seller with an exemption certificate from the Department of Revenue (DOR).

Appropriation: None.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2013.

Staff Summary of Public Testimony: PRO: A Clark County club was informed that it must submit tax twice for clay pigeons. This bill would fix this problem.

This bill addresses the issue of fairness. A majority of the clubs make an attempt to follow the law. However, DOR recently ruled that it would audit all clubs and tax clay pigeons at the time of purchase as well as at upon sales to shooters. To pay taxes twice is double taxation. Many clubs will be devastated by this type of taxation especially when many of them are small and have limited resources.

Persons Testifying: PRO: Senator Rivers, prime sponsor; Doug O'Connor, Poulsbo Sportsman Club; Alan Kasper, Bainbridge Island Sportsmen's Club; Russell Felch, Wildlife Committee of WA, Inc.; James Williams, Pierce County Sportsmen's Council, Tacoma Sportsmen's Club; Burton Levee, Evergreen Sportsman Club.